



**New York City Council**

Christine C. Quinn, Speaker

**Finance Division**

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**Hearing on the Mayor's Fiscal Year 2011 Preliminary Budget**

**City University of New York**

March 5, 2010

**Committee on Higher Education**

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## Summary and Highlights

The total projected budget in Fiscal 2011 for the 23 institutions that encompass The City University of New York (CUNY) system is \$2.5 billion, which consists of City support, State aid, and tuition revenue. Note: the tuition revenue increase from 2008 to 2009 is due to enrollment growth only and then in 2010 due to a tuition rate increase and enrollment growth.

| <b>CUNY Funding Sources</b><br><i>Dollars in millions</i> | <b>2008</b>    | <b>2009</b>    | <b>2010</b>    | <b>Projected<br/>2011</b> | <b>Difference<br/>2010-2011*</b> |
|---|----------------|----------------|----------------|---------------------------|----------------------------------|
| <b>University-wide</b>                                    |                |                |                |                           |                                  |
| State Aid   | \$1,179        | \$1,314        | \$1,236        | \$1,252                   | \$16                             |
| City Support  | 244            | 275            | 276            | 253                       | (23)                             |
| Tuition and Other Revenue                                 | 775            | 840            | 1,006          | 1,006                     | 0                                |
| <b>TOTAL</b>  | <b>\$2,198</b> | <b>\$2,429</b> | <b>\$2,571</b> | <b>\$2,511</b>            | <b>(\$7)</b>                     |

\*Difference refers to the variance between the Fiscal 2010 Adopted Budget and the Projected Fiscal 2011 Budget.

New York City is the primary funding source for the community colleges; therefore, the Council adopts the budget appropriations for and has oversight of the community colleges. The appropriations include community college tuition revenue and funding for associate degree programs at certain senior colleges.

| <b>Community Colleges</b><br><i>Dollars in Thousands</i> | <b>2008<br/>Actual</b> | <b>2009<br/>Actual</b> | <b>2010<br/>Adopted</b> | <b>2010<br/>January<br/>Plan</b> | <b>2011<br/>January<br/>Plan</b> | <b>Difference,<br/>2010 – 2011*</b> |
|--|------------------------|------------------------|-------------------------|----------------------------------|----------------------------------|-------------------------------------|
| Personal Services  | \$441,987              | \$472,361              | \$463,854               | \$501,477                        | \$490,992                        | \$27,138                            |
| Other than Personal Services                             | 202,930                | 207,468                | 179,783                 | 235,972                          | 184,482                          | (4,669)                             |
| <b>Community Colleges Total</b>                          | <b>\$644,918</b>       | <b>\$679,829</b>       | <b>\$643,638</b>        | <b>\$737,449</b>                 | <b>\$675,475</b>                 | <b>\$31,837</b>                     |

\*Difference refers to the variance between the Fiscal 2010 Adopted Budget and the Fiscal 2011 January Plan.

## Enrollment Growth

- CUNY's enrollment for the entire system is at its highest level since 1975 with an increase of six percent over the last academic year.
- For the six community colleges, there are now more than 88,000 students, which is an increase of more than eight percent since just last year.
- This translates to a full-time equivalent (FTE) enrollment growth of 14,414 in the 2009-2010 academic year for the entire CUNY system.
- Almost 50 percent of that growth, or 8,000 FTEs, is for the community colleges alone.

| <b>FTE Enrollment – Community Colleges</b> |                           |                     |
|--|---------------------------|---------------------|
| <b>Academic<br/>Year</b>                   | <b>FTE<br/>Enrollment</b> | <b>%<br/>Change</b> |
| Fall 2006                                  | 51,908                    | 0%*                 |
| Fall 2007                                  | 54,334                    | 5%                  |
| Fall 2008                                  | 58,520                    | 8%                  |
| Fall 2009                                  | 66,520                    | 14%                 |

\*Represents less than one percent change from Fall 2005.

## Faculty Trends

The last time CUNY's enrollment was this high in 1975, it employed more than 11,000 full-time faculty. Here are the current full-time faculty numbers:

- 6,359 full-time faculty members work for the entire University;
- 1,603 full-time faculty members are for the community colleges;
- Yet according to CUNY, it needs an additional 2,300 faculty members to match its enrollment growth for the entire University.

### **Full-time Faculty Trends - Community Colleges**

| <b>Academic</b> |                   | <b>%</b>      |
|-----------------|-------------------|---------------|
| <b>Year</b>     | <b>FT Faculty</b> | <b>Change</b> |
| Fall 2006       | 1,536             | 0%*           |
| Fall 2007       | 1,582             | 3%            |
| Fall 2008       | 1,603             | 1%            |
|                 | Data              |               |
| Fall 2009       | unavailable.      |               |

\*Represents less than one percent change from Fall 2005.

## **Fiscal 2011 Preliminary Plan and 2010-2011 Executive Budget Highlights**

As shown in the first chart, CUNY's projected budget for Fiscal 2011 is \$2.5 billion.

- \$7 million decrease from the Fiscal 2010 City and State Adopted Budget.
- Decrease reflects reductions in City support and State aid.
- Decrease is offset by \$64 million in additional tuition revenues from the enrollment growth for the community colleges; \$18 million in additional funding from the enrollment growth at the community colleges; \$91 million in mandatory needs from the State for the senior colleges; and additional funding for programs.
- Projected budget recognizes enrollment growth but does not fiscally support the needs created by this increased enrollment.

# The City University of New York

CUNY consists of eleven senior colleges, six community colleges, the William E. Macaulay Honors College at CUNY, the Graduate School and University Center, the CUNY Graduate School of Journalism, the CUNY School of Law, the CUNY School of Professional Studies and the Sophie Davis School of Biomedical Education, the CUNY School of Public Health, and with plans to open a new community college. CUNY enrolls students in 1,371 academic programs, as well as adult and continuing education programs. CUNY also sponsors the Hunter Campus Schools.

### University Mission

- The University works to maintain and expand its commitment to academic excellence and to the provision of equal access and opportunity for students, faculty and staff from all ethnic and racial groups and from both sexes.
- The University remains responsive to the needs of its urban setting and maintains its close articulation between senior and community colleges.

### University Highlights

- 8,397 graduate and professional school degrees
- 17,893 baccalaureate degrees
- 10,503 associate degrees
- 281 certificates
- 311 advanced certificates
- 90 percent of community college graduates are employed within six months
- 91 percent of all employed CUNY graduates work in NYC
- CUNY graduates pump \$15 billion a year into NYS economy

SOURCE: Fiscal 2009 Mayor's Management Report and the New York State Law

### CUNY Financial Summary

Dollars in Thousands

|                               | 2008<br>Actual   | 2009<br>Actual   | 2010<br>Adopted  | 2010<br>January<br>Plan | 2011<br>January<br>Plan | Difference<br>2010–2011* |
|-------------------------------|------------------|------------------|------------------|-------------------------|-------------------------|--------------------------|
| <b>Budget by Program Area</b> |                  |                  |                  |                         |                         |                          |
| Community Colleges            | \$644,918        | \$679,829        | \$643,638        | \$737,449               | \$675,475               | \$31,837                 |
| Educational Aid               | 11,165           | 12,750           | 3,500            | 3,500                   | 0                       | (3,500)                  |
| Senior Colleges               |                  |                  | 35,000           | 35,000                  | 35,000                  | 0                        |
| Hunter Campus Schools         | 15,209           | 14,536           | 15,301           | 15,613                  | 15,706                  | (405)                    |
| <b>TOTAL</b>                  | <b>\$671,292</b> | <b>\$707,115</b> | <b>\$697,439</b> | <b>\$791,561</b>        | <b>\$726,181</b>        | <b>\$28,742</b>          |
| <b>Funding</b>                |                  |                  |                  |                         |                         |                          |
| City Funds                    | NA               | NA               | \$469,378        | \$524,008               | \$488,814               | \$19,436                 |
| <i>Memo: Council Funds</i>    | NA               | NA               | 34,431           |                         |                         |                          |
| Other Categorical             | NA               | NA               | 2,839            | 4,031                   | 2,839                   | 0                        |
| State                         | NA               | NA               | 197,753          | 206,187                 | 219,917                 | 22,164                   |
| Federal – CD                  | NA               | NA               | 0                | 1,130                   | 964                     | 964                      |
| Federal – Other               | NA               | NA               | 13,730           | 13,883                  | 0                       | (13,730)                 |
| Intra-City                    | NA               | NA               | 13,739           | 42,322                  | 13,647                  | (92)                     |
| <b>TOTAL</b>                  | <b>\$671,292</b> | <b>\$707,115</b> | <b>\$697,439</b> | <b>\$791,561</b>        | <b>\$726,181</b>        | <b>\$28,742</b>          |
| <b>Positions</b>              |                  |                  |                  |                         |                         |                          |
| Pedagogical Positions         | 2,872            | 2,993            | 2,674            | 2,674                   | 2,639                   | (35)                     |
| Non-Pedagogical Positions     | 1,646            | 1,676            | 1,596            | 1,584                   | 1,432                   | (164)                    |
| <b>TOTAL</b>                  | <b>4,518</b>     | <b>4,669</b>     | <b>4,270</b>     | <b>4,258</b>            | <b>4,071</b>            | <b>(199)</b>             |

\*Difference refers to the variance between the Fiscal 2010 Adopted Budget and the Fiscal 2011 January Plan.

**Council Funding**

Historically, the City Council has provided funding relief for CUNY by restoring operational reductions and creating programmatic initiatives like the Peter F. Vallone Scholarship. Since CUNY has never had its funding levels totally restored since the City’s fiscal crisis in the 1990s, relief from the City Council has bolstered CUNY’s budget for the community colleges over the years. The Council provided in total \$26.7 million, which is 11 percent of CUNY’s annual City-funds operating budget of the community colleges, towards restorations and initiative funding in Fiscal 2010. This funding is for Fiscal 2010 only, and this funding is currently not included in the Preliminary Budget for Fiscal 2011.

| <b>FY 2010 Council Changes at Adoption by Program Area</b> |                 |
|--|-----------------|
| <i>Dollars in Thousands</i>                                |                 |
| <b>Community Colleges</b>                                  |                 |
| Community Colleges PEG Restoration                         | \$21,400        |
| Creative Arts Team   | 400             |
| Dominican Studies Institute                                | 470             |
| Puerto Rican Studies Institute                             | 470             |
| Black Male Empowerment Initiative                          | 2,500           |
| Murphy Institute Center for Worker Education               | 250             |
| Local Initiatives  | 1,191           |
| <b>Subtotal</b>  | <b>\$31,181</b> |
| <b>Educational Aid</b>                                     |                 |
| Peter Vallone Scholarship                                  | \$2,750         |
| <b>Subtotal</b>  | <b>\$2,750</b>  |
| <b>Community Colleges – Pass-through</b>                   |                 |
| Jobs To Build On   | \$5,000         |
| <b>Subtotal</b>  | <b>\$5,000</b>  |
| <b>TOTAL</b>   | <b>\$34,431</b> |

Below is an overview of Council restoration to operational funding for the community colleges since Fiscal 2006:

| <b>Fiscal Year</b>          | <b>Amount</b>   |
|-----------------------------|-----------------|
| <i>Dollars in Thousands</i> |                 |
| 2006                        | \$12,343        |
| 2007                        | \$12,343        |
| 2008                        | \$14,596        |
| 2009                        | \$19,846        |
| 2010                        | \$21,400        |
| <b>Total Funding:</b>       | <b>\$80,528</b> |

# Capital Program

## Capital Budget Summary

The January 2010 Capital Commitment Plan provides \$302 million through Fiscal 2010 to Fiscal 2013 for CUNY (including City and Non-City funds), which represents less than one percent of the City's total \$39.14 billion January Plan through Fiscal 2010 to Fiscal 2013. CUNY's January Commitment Plan through Fiscal 2010 to 2013 is 9.8 percent greater than the \$275 million scheduled in the September Commitment Plan, an increase of \$27 million.

Over the past five years, CUNY has only committed an average of 23 percent of its annual capital plan. Therefore, it is assumed that a large portion of the agency's Fiscal 2010 capital plan will be rolled into Fiscal 2011 thus greatly increasing the size of the Fiscal 2011-2014 capital plan. Since adoption last June, the Capital Commitment Plan for Fiscal 2010 has risen from \$221 million to \$246 million, an increase of \$26 million or ten percent.

Currently the appropriations for CUNY total \$242 million in City funds for Fiscal 2010. These appropriations are to be used to finance CUNY's \$210 million City funded Fiscal 2010 Capital Commitment Plan. The agency has \$32 million or 15 percent more funding than it needs to meet its entire capital commitment program for the current fiscal year.

## Ten-Year Capital Program

CUNY's ten-year capital program totals \$317 million. Of this total, \$217 million will be for miscellaneous reconstruction, which includes the rehabilitation/replacement of roofs, windows, elevators; renovation of the interior and exterior of buildings; and electrical, drainage, heating, ventilation and air conditioning upgrades for the colleges.

## FY 2010 Adopted Capital Commitment Plan

*Dollars in Thousands*

|  | 2010             | 2011           | 2012       | 2013            | 2014-2019       |
|--|------------------|----------------|------------|-----------------|-----------------|
| Data Processing And Other Equipment        | \$61,195         | \$0            | \$0        | \$6,700         | \$0             |
| Energy Conservation Projects               | 2,825            | 0              | 0          | 0               | 0               |
| Athletic Fields, Gymnasiums, and Equipment | 865              | 0              | 0          | 2,030           | 0               |
| Federal, State And Local Mandates          | 2,765            | 0              | 0          | 0               | 400             |
| Electrical, Mechanical And HVAC            | 17,985           | 0              | 0          | 2,015           | 0               |
| New School Construction                    | 2,338            | 0              | 0          | 40              | 0               |
| Miscellaneous Reconstruction               | 131,994          | 4,464          | 0          | 38,975          | 41,852          |
| Security Systems                           | 840              | 0              | 0          | 0               | 0               |
| <b>TOTAL</b>                               | <b>\$220,807</b> | <b>\$4,464</b> | <b>\$0</b> | <b>\$49,760</b> | <b>\$42,252</b> |

## Highlights

- The Administration committed \$129 million to the demolition and construction of the Borough of Manhattan Community College's Fiterman Hall. The State has re-appropriated \$98.6 million in the Fiscal 2009-2010 State Executive Budget, and there is \$87.4 million in insurance funding and federal grants. With a total of \$325 million in capital funding, CUNY began construction this month for Fiterman Hall, which is scheduled to be completed by 2012.

- Medgar Evers College was re-designated as a four-year college in 1994, but its capital funding status remained as a community college. The Fiscal 2009-2010 State Adopted Budget includes Article VII, which now recognizes Medgar Evers College as a four-year college for capital funding purposes. As of July 1, 2009, Medgar Evers College will be funded as a senior college for capital spending with all projects eligible to receive funding from the State only.

## **Issues**

The State assumes full fiscal responsibility for capital funding of all senior colleges and the schools for advanced studies. The State and City split the financial responsibility equally for capital funding of the six community colleges. If the City does not match the funds provided by the State, then that capital funding from the State will not be used until it is matched fully by the City. There are approximately \$160 million in unmatched State funds for Fiscal 2010 to Fiscal 2013. Although historically the City's capital funding has risen over the past five years, this is not so for the critical maintenance and campus extension needs for the community colleges.

# Program Areas

## Community Colleges

Funding for the community colleges is for personnel, supplies, materials, and support services at the following six community colleges: Borough of Manhattan Community College, Bronx Community College, Hostos Community College, Kingsborough Community College, LaGuardia Community College, and Queensborough Community College.

| <i>Dollars in Thousands</i>         | 2008<br>Actual   | 2009<br>Actual   | 2010<br>Adopted  | 2010<br>January<br>Plan | 2011<br>January<br>Plan | Difference<br>2010-<br>2011* |
|-------------------------------------|------------------|------------------|------------------|-------------------------|-------------------------|------------------------------|
| <b>Spending</b>                     |                  |                  |                  |                         |                         |                              |
| <b>Personal Services</b>            | <b>\$441,987</b> | <b>\$472,361</b> | <b>\$463,854</b> | <b>\$501,477</b>        | <b>\$490,992</b>        | <b>\$27,138</b>              |
| Full-Time Salaried -                |                  |                  |                  |                         |                         |                              |
| Pedagogical                         | 192,245          | 10,069           | 124,085          | 231,721                 | 121,082                 | (3,003)                      |
| Full-Time Salaried – Non-           |                  |                  |                  |                         |                         |                              |
| Pedagogical                         | 63,113           | 70,540           | 43,442           | 71,779                  | 33,312                  | (10,130)                     |
| Other Salaried and Unsalaries       | 102,778          | 97,429           | 151,887          | 97,923                  | 191,050                 | 39,163                       |
| Additional Gross Pay                | 2,113            | 2,560            | 25,611           | 1,356                   | 25,611                  | 0                            |
| Overtime - Civilian                 | 4,429            | 4,794            | 1,014            | 2,820                   | 1,014                   | 0                            |
| Fringe Benefits                     | 77,363           | 87,006           | 81,424           | 90,284                  | 82,532                  | 1,108                        |
| Amounts to be Scheduled             | 0                | 0                | 36,391           | 5,595                   | 36,391                  | 0                            |
| Other                               | (54)             | (37)             | 0                | 0                       | 0                       | 0                            |
| <b>Other than Personal Services</b> | <b>\$202,930</b> | <b>\$207,468</b> | <b>\$179,783</b> | <b>\$235,972</b>        | <b>\$184,482</b>        | <b>(\$4,699)</b>             |
| Supplies and Materials              | 14,180           | 16,095           | 61,420           | 59,145                  | 65,342                  | 3,922                        |
| Property and Equipment              | 14,578           | 20,792           | 7,452            | 13,119                  | 6,997                   | (455)                        |
| Other Services and Charges          | 95,643           | 100,870          | 63,226           | 89,199                  | 64,722                  | 1,496                        |
| Contractual Services                | 38,082           | 34,921           | 13,105           | 39,863                  | 13,795                  | 690                          |
| Fixed and Misc Charges              | 40,447           | 34,790           | 34,581           | 34,646                  | 33,625                  | (956)                        |
| <b>TOTAL</b>                        | <b>\$644,918</b> | <b>\$679,829</b> | <b>\$643,638</b> | <b>\$737,449</b>        | <b>\$675,475</b>        | <b>\$31,837</b>              |
| <b>Funding</b>                      |                  |                  |                  |                         |                         |                              |
| City Funds                          | NA               | NA               | \$452,387        | \$506,729               | \$474,918               | \$22,531                     |
| Other Categorical                   | NA               | NA               | 2,829            | 3,998                   | 2,829                   | 0                            |
| State                               | NA               | NA               | 160,953          | 169,387                 | 183,117                 | 22,164                       |
| Federal – CD                        | NA               | NA               | 0                | 1,130                   | 1                       | 1                            |
| Federal – Other                     | NA               | NA               | 13,730           | 13,883                  | 0                       | (13,730)                     |
| Intra-City                          | NA               | NA               | 13,739           | 42,322                  | 13,647                  | (92)                         |
| <b>TOTAL</b>                        | <b>\$644,918</b> | <b>\$679,829</b> | <b>\$643,638</b> | <b>\$737,449</b>        | <b>\$675,475</b>        | <b>\$31,837</b>              |

\*Difference refers to the variance between the Fiscal 2010 Adopted Budget and the Fiscal 2011 January Plan.

City support is the operational funding for the community colleges but also includes funding for Council initiatives and other programmatic costs. The projected amount of City support for the six community colleges for Fiscal 2011 is \$221 million, which is \$23 million less than the amount the City allocated for the colleges in Fiscal 2010, which includes the non-inclusion of Council funding and proposed funding reductions in the Preliminary Plan but is offset by \$64 million in additional tuition revenue and \$6.5 million in new needs and other adjustments (see the next section for details).

The Maintenance of Effort (MOE) provision was passed in 1993 by the State in order to keep City support from falling below the previous years funding level. For Fiscal 2011, there is a projected \$51 million MOE shortfall that the City must fund in order to meet the provisions of the State law.

| <i>Dollars in Thousands</i> | <b>Fiscal 2010</b> | <b>Fiscal 2011</b> | <b>MOE Shortfall</b> |
|-----------------------------|--------------------|--------------------|----------------------|
| <b>City Support</b>         | \$244,000          | \$221,000          | (\$23,000)           |

Moreover, the City uses this provision to keep CUNY's funding to the Community Colleges stagnant. Specifically, under this provision the City is allowed to keep CUNY's funding level unchanged regardless of any new contractual or inflationary needs CUNY may incur, such as the high enrollment growth (as seen in the Summary and Highlights section of the report). This method of funding forces CUNY to reduce resources for programs and services as it pays for increases in pension and other costs.

### **Impact of the Reductions to the Community Colleges**

The Fiscal 2011 Preliminary Plan proposes a decrease in City tax-levy funding of \$9.5 million for Fiscal 2010 only and \$15.4 million for Fiscal 2011 and in the outyears. In addition for Fiscal 2011, there would be a total of \$51 million in previous expense reductions. These reductions are offset by the City's recognition of \$64 million in additional revenue received by the enrollment growth and \$6.5 million in City funding for other actions described in the next section.

Additionally, there would be a \$120,000 reduction in the Civic Justice Corps program with \$75,000 re-allocated to the CUNY Prep program and \$45,000 to literacy programs.

### **CUNY proposes to meet its \$15.4 million Fiscal 2011 PEG target by the following**

- \$7 million would be cut from institutional and departmental research services resulting in the loss of 11 full-time positions/full-time equivalent positions;
- \$474,000 would be cut from library services;
- \$1.8 million would be cut from student services resulting in a loss of six full-time positions/full-time equivalent positions;
- \$282,000 would be cut in external and public services;
- \$2.8 million would be cut in general institutional services resulting in a loss of 19 full-time positions/full-time equivalent positions;
- and \$2.8 million would be cut from administration and maintenance/operations resulting in a loss of 24 full-time/full-time equivalent positions.

There would be 60 positions eliminated through attrition if this funding is not restored.

The 2010-2011 State Executive Budget proposes a reduction of \$21.8 million in base aid for the community colleges, but this reduction would be offset in \$18.2 million in additional funding from the increased enrollment growth. CUNY is already absorbing a mid-year \$8.8 million reduction in base aid from the 2009-2010 Governor's Deficit Reduction Plan. Although these State aid reductions total \$30.6 million, the actual impact is \$12.4 million due to the enrollment growth for these colleges.

Therefore, CUNY faces a \$97 million deficit in government funding for the community colleges in Fiscal 2011. Yet with the State and City recognizing this enrollment growth, the implications of these reductions are lessened; however, CUNY will have to maintain vacant faculty and support staff positions, be unable to hire new, needed full-time faculty, cannot create new support service programs, nor offer enough course sections for its growing matriculating body.

**Other Actions in the Fiscal 2011 Preliminary Plan**

The Fiscal 2011 Preliminary Budget provides \$14.3 million in funding for other adjustments including \$6.8 million for ASAP (Accelerated Studies in Associate Program), which provides support to fast track associate degree students; \$3.5 million for the CUNY Prep program, which is a GED program for out-of-school youth aged 16-18 with a track to college; and other Center for Economic Opportunity-funded programs. The plan also recognizes \$636,000 in new needs for health insurance rate increases as well as savings of \$563,000 in a health benefit agreement for the community colleges. The City also recognized in the Fiscal 2010 November Plan and in the Fiscal 2011 Preliminary Plan \$64 million in additional revenue from tuition and fees based on the additional enrollment growth at the community colleges.

The Plan also does not recognize approximately \$13 million in Council initiatives, such as the Black Male Initiative and supporting the Dominican Studies Institute.

**Performance Measures**

|  | FY 07  | FY 08  | FY 09  | FY 10<br>4-Month<br>Actual | Target<br>FY 11 |
|--|--------|--------|--------|----------------------------|-----------------|
| One-year (fall-to-fall) retention rate of full-time first-time freshmen enrolled in an associate program at a CUNY community college | 65.5%  | 64.8%  | 66.1%  | *                          | *               |
| Six-year graduation rate of full-time first-time freshmen seeking an associate degree at a CUNY community college                    | 28.2%  | 28.6%  | NA     | *                          | *               |
| Instructional hours delivered by full-time faculty (Fall) - Community colleges (%)   | 46.2%  | 46.1%  | 43.3%  | *                          | *               |
| Enrollment of first-time freshmen in CUNY community colleges   | 12,745 | 13,935 | 15,269 | *                          | *               |
| Number of students transferring to a CUNY baccalaureate program within two years of leaving a CUNY associate program                 | 5,683  | 5,605  | 5,989  | *                          | *               |

## Educational Aid

The educational aid line in CUNY's budget is for the Peter F. Vallone Scholarship, which is for New York City high school students who graduated with a B average and attend a CUNY school. Currently, the award is \$500 a year. Since Fiscal 1999, there have been approximately 140,000 scholarship awards to more than 22,000 students through Fiscal 2008.

Since its inception by the City Council in Fiscal 1999, the Administration for the first time has included funding for the scholarship program in its financial plan as opposed to the Council restoring it at adoption. The Administration provided \$6 million in Fiscal 2009 and \$750,000 in Fiscal 2010 for the Peter Vallone Scholarship. Additionally, the Council provided \$2.75 million to increase the scholarship fund to \$9.5 million.

## Fiscal 2011 Preliminary Plan Actions

The 2011 Preliminary Plan does not include funding for the scholarship in Fiscal 2011; therefore, it would become the Council's responsibility again to provide full funding for this scholarship in the next fiscal year. The chart below demonstrates the Council's commitment for access to New York City students to higher education from Fiscal 1999 to Fiscal 2010:

| <i>Dollars in Thousands</i> |                     |                       |
|-----------------------------|---------------------|-----------------------|
| <b>Fiscal Year</b>          | <b>City Council</b> | <b>Administration</b> |
| 1999                        | \$7,000             | \$0                   |
| 2000                        | \$7,000             | \$0                   |
| 2001                        | \$6,500             | \$0                   |
| 2002                        | \$6,500             | \$0                   |
| 2003                        | \$5,500             | \$0                   |
| 2004                        | \$5,500             | \$0                   |
| 2005                        | \$7,000             | \$0                   |
| 2006                        | \$11,365            | \$0                   |
| 2007                        | \$11,165            | \$0                   |
| 2008                        | \$11,165            | \$0                   |
| 2009                        | \$6,750             | \$0                   |
| 2010                        | \$2,750             | \$6,750               |

## Senior Colleges

Funding in this area allows CUNY to pre-fund senior college expenses funded by the State due to the different funding cycles of the City and the State.

| <i>Dollars in Thousands</i>  | 2008<br>Actual  | 2009<br>Actual  | 2010<br>Adopted | 2010<br>January<br>Plan | 2011<br>January<br>Plan | Difference<br>2010-<br>2011* |
|------------------------------|-----------------|-----------------|-----------------|-------------------------|-------------------------|------------------------------|
| <b>Spending</b>              |                 |                 |                 |                         |                         |                              |
| Other than Personal Services | \$35,000        | \$35,000        | \$35,000        | \$35,000                | \$35,000                | \$0                          |
| <b>TOTAL</b>                 | <b>\$35,000</b> | <b>\$35,000</b> | <b>\$35,000</b> | <b>\$35,000</b>         | <b>\$35,000</b>         | <b>\$0</b>                   |
| <b>Funding</b>               |                 |                 |                 |                         |                         |                              |
| State                        | \$35,000        | \$35,000        | \$35,000        | \$35,000                | \$35,000                | \$0                          |
| <b>TOTAL</b>                 | <b>\$35,000</b> | <b>\$35,000</b> | <b>\$35,000</b> | <b>\$35,000</b>         | <b>\$35,000</b>         | <b>\$0</b>                   |

\*Difference refers to the variance between the Fiscal 2010 Adopted Budget and the Fiscal 2011 January Plan.

## Impact of State Aid Reductions to the Senior Colleges

The State is the primary funding source for the eleven senior colleges and graduate/professional schools. The 2010-2011 State Executive Budget proposes a cut of \$63.6 million in operational aid and an additional \$20.8 million reduction through labor negotiations with the union to reduce salary and fringe benefit costs. These proposed reductions are offset with \$91.3 million in mandatory needs and collective bargaining actions as well as \$11 million from a Fiscal 2010 tuition increase. In addition, the senior colleges received a \$53 million cut in the current fiscal year through the 2009-2010 Governor's Deficit Reduction Plan.

The central operations budget of the CUNY system would absorb the current year cut and previous state fiscal year cut of \$68.3 million as much as possible. However, each budget for every senior college will take large losses in the middle of this fiscal year. Any future spending will now be re-evaluated and necessary services will be impaired for the next academic year because of these prior reductions and the proposed State Budget not providing relief for the extremely high enrollment growth at these colleges.

## Fiscal 2011 Preliminary Plan Actions

There are no actions for the senior colleges in the City's Preliminary Plan.

## Performance Measures

|   | FY 07 | FY 08 | FY 09 | FY 10<br>4-Month<br>Actual | Target<br>FY 11 |
|---|-------|-------|-------|----------------------------|-----------------|
| One-year (fall-to-fall) retention rate of full-time first-time freshmen enrolled in a baccalaureate program at a CUNY college | 83.7% | 84.6% | 84.7% | *                          | *               |
| Six-year graduation rate of full-time first-time freshmen seeking a baccalaureate degree at a CUNY college                    | 49.2% | 49.3% | NA    | *                          | *               |
| Instructional hours delivered by full-time faculty (Fall) - Senior colleges (%)   | 42.9% | 43.2% | 41.8% | *                          | *               |
| Baccalaureate degree seeking students admitted who enroll (%)   | 51.8% | 52.5% | 51.7% | *                          | *               |

## Other Actions in the 2010-2011 State Executive Budget

### Proposed Changes to the Tuition Assistance Program

- CUNY students would lose approximately \$7 million of the \$177 million they receive from the State programs;
- \$75-a-year decrease in all TAP awards, which would cost approximately 69,000 CUNY TAP recipients a total of \$5.1 million;
- A change in the satisfactory academic progress standards would result in a minimum loss in of \$958,000 in aid for 835 students;
- Eliminate TAP for graduate students, which would affect 580 CUNY graduate students with a loss of \$158,000 in aid;
- Students that are in default of federal loans would become ineligible for TAP, which would affect 45 CUNY students with a loss of \$98,000 in aid;
- Undergraduate students who claim independent status and those married with no children on a new payment schedule, which would affect 325 CUNY students with a loss of \$260,000 in aid;
- Treat pension income equitably in TAP eligibility determinations, which would affect 21 CUNY students with a loss of \$84,000 in aid and;
- Eliminate new state merit awards, which would cost 1,100 CUNY students approximately \$718,000 in TAP and scholarships.
- Reduces the maximum TAP award for students enrolled in a two-year degree granting program from \$5,000 to \$4,000. This provision does not apply to associate degree students at CUNY's senior colleges.

### The New York State Public Higher Education Empowerment and Innovation Act

- It grants authority to the CUNY Board of Trustees to raise tuition beginning in FY2011 by no more than two and half times the five year average Higher Education Price Index (HEPI) rate;
- It authorizes the CUNY Board of Trustees to permit differential tuition rates by campus and program for undergraduate and graduate students; campuses will retain all incremental revenue generated by any increase;
- It proposes to change the structure of CUNY's budget beginning in FY2011 by removing tuition and fees from the appropriation and allowing the University to expend directly from these resources. This would give the University greater flexibility in terms of procurement as purchases made with these funds would not be subject to State procurement requirements and;
- It proposes changes to state procurement guidelines, including removing provisions of law subjecting CUNY to pre-approval of contracts by the Office of the State Comptroller, while maintaining provisions requiring the post-audit of contracts.

### Child Care Centers

- It proposes a decrease of \$1.44 million in federal Temporary Assistance for Needy Family (TANF) funding for CUNY's 17 licensed campus-based child care centers, which provide services to over 1,600 student parents and 2,400 children.

## Hunter Campus Schools

Funding for the Hunter Campus Schools is for personnel, supplies, and materials. The Hunter Campus Schools consist of an elementary school and a high school on the campus of Hunter College.

| <i>Dollars in Thousands</i>              | 2008<br>Actual  | 2009<br>Actual  | 2010<br>Adopted | 2010<br>January<br>Plan | 2011<br>January<br>Plan | Difference<br>2010-<br>2011* |
|--|-----------------|-----------------|-----------------|-------------------------|-------------------------|------------------------------|
| <b>Spending</b>                          |                 |                 |                 |                         |                         |                              |
| <b>Personal Services</b>                 | <b>\$14,464</b> | <b>\$14,280</b> | <b>\$14,789</b> | <b>\$14,662</b>         | <b>\$14,806</b>         | <b>\$17</b>                  |
| Full-Time Salaried –<br>Pedagogical      | 9,188           | 9,315           | 8,200           | 8,389                   | 8,100                   | (100)                        |
| Full-Time Salaried – Non-<br>Pedagogical | 1,074           | 1,014           | 1,190           | 1,190                   | 1,190                   | 0                            |
| Other Salaried and Unsalari-<br>ed       | 602             | 668             | 2,427           | 1,145                   | 2,541                   | 114                          |
| Additional Gross Pay                     | 1,076           | 749             | 558             | 900                     | 558                     | 0                            |
| Overtime - Civilian                      | 68              | 50              | 50              | 50                      | 50                      | 0                            |
| Fringe Benefits                          | 2,456           | 2,484           | 2,365           | 2,988                   | 2,367                   | 2                            |
| <b>Other than Personal Services</b>      | <b>\$745</b>    | <b>\$256</b>    | <b>\$511</b>    | <b>\$950</b>            | <b>\$900</b>            | <b>\$389</b>                 |
| Supplies and Materials                   | 372             | 174             | 203             | 642                     | 592                     | 389                          |
| Property and Equipment                   | 35              | 6               | 6               | 6                       | 6                       | 0                            |
| Other Services and Charges               | 315             | 56              | 282             | 282                     | 282                     | 0                            |
| Contractual Services                     | 22              | 20              | 20              | 20                      | 20                      | 0                            |
| <b>TOTAL</b>                             | <b>\$15,209</b> | <b>\$14,536</b> | <b>\$15,301</b> | <b>\$15,613</b>         | <b>\$15,706</b>         | <b>\$405</b>                 |
| <b>Funding</b>                           |                 |                 |                 |                         |                         |                              |
| City Funds                               | NA              | NA              | \$13,490        | \$13,779                | \$13,896                | \$405                        |
| Other Categorical                        | NA              | NA              | 10              | 33                      | 10                      | 0                            |
| State                                    | NA              | NA              | 1,800           | 1,800                   | 1,800                   | 0                            |
| Federal – CD                             | NA              | NA              | 0               | 0                       | 0                       | 0                            |
| Federal – Other                          | NA              | NA              | 0               | 0                       | 0                       | 0                            |
| Intra-City                               | NA              | NA              | 0               | 0                       | 0                       | 0                            |
| <b>TOTAL</b>                             | <b>\$15,209</b> | <b>\$14,536</b> | <b>\$15,301</b> | <b>\$15,613</b>         | <b>\$15,706</b>         | <b>\$405</b>                 |

\*Difference refers to the variance between the Fiscal 2010 Adopted Budget and the Fiscal 2011 January Plan.

## Fiscal 2011 Preliminary Plan Actions

There are no actions for the Hunter Campus Schools in the Preliminary Plan.

## Appendix A: Budget Actions in the November and January Plans

| <i>Dollars in Thousands</i>                  | FY 2010          |                  |                  | FY 2011           |                  |                   |
|--|------------------|------------------|------------------|-------------------|------------------|-------------------|
|  | City             | Non-City         | Total            | City              | Non-City         | Total             |
| <b>Agency Budget as of June 2010 Plan</b>    | <b>\$469,377</b> | <b>\$228,061</b> | <b>\$697,438</b> | <b>\$425,530</b>  | <b>\$228,061</b> | <b>\$653,591</b>  |
| <b>Program to Eliminate the Gap (PEGs)</b>   |                  |                  |                  |                   |                  |                   |
| General Administration                       | (\$658)          | \$0              | (\$658)          | (\$891)           | \$0              | (\$891)           |
| Maintenance & Operations                     | (1,385)          | 0                | (1,385)          | (1,959)           | 0                | (1,959)           |
| General Institutional Services               | (1,913)          | 0                | (1,913)          | (2,875)           | 0                | (2,875)           |
| External & Public Services                   | (273)            | 0                | (273)            | (282)             | 0                | (282)             |
| Student Services                             | (1,119)          | 0                | (1,119)          | (1,872)           | 0                | (1,872)           |
| Library/Organized Activities                 | (217)            | 0                | (217)            | (474)             | 0                | (474)             |
| Institutional & Departmental Research        | (3,778)          | 0                | (3,778)          | (7,063)           | 0                | (7,063)           |
| Civic Justice Corps                          | (120)            | 0                | (120)            | 0                 | 0                | 0                 |
| Mental Hygiene Contracts Intra-City          | 0                | 0                | 0                | 0                 | (101)            | (101)             |
| Air Survey Intra-City                        | 0                | (50)             | (50)             | 0                 | 0                | 0                 |
| <b>Total, PEGs</b>                           | <b>(\$9,464)</b> | <b>(\$50)</b>    | <b>(\$9,514)</b> | <b>(\$15,416)</b> | <b>(\$101)</b>   | <b>(\$15,517)</b> |
| <b>New Needs</b>                             |                  |                  |                  |                   |                  |                   |
| HIP Rate Increase                            | \$0              | \$0              | \$0              | \$636             | \$0              | \$636             |
| <b>Total, New Needs</b>                      | <b>\$0</b>       | <b>\$0</b>       | <b>\$0</b>       | <b>\$636</b>      | <b>\$0</b>       | <b>\$636</b>      |
| <b>Other Adjustments</b>                     |                  |                  |                  |                   |                  |                   |
| Community College Tuition & Fees Adjustment  | \$63,671         | \$0              | \$63,671         | \$63,671          | \$0              | \$63,671          |
| Member Items Adjustment                      | 735              | 0                | 735              | 0                 | 0                | 0                 |
| ASAP   | 0                | 0                | 0                | 6,800             |                  | 6,800             |
| Civic Justice Corps                          | 0                |                  | 0                | 3,500             |                  | 3,500             |
| CUNY Prep                                    | 75               |                  | 75               | 3,575             |                  | 3,575             |
| CUNY Catch (CEO Program)                     | 150              | 0                | 150              | 0                 | 0                | 0                 |
| Job Plus                                     | 0                | 0                | 0                | 600               | 0                | 600               |
| New Re-Entry Program                         | 0                | 0                | 0                | 480               | 0                | 480               |
| Community College Health Benefits Agreement  | (537)            | 0                | (537)            | (563)             | 0                | (563)             |
| Solar Energy Grant                           | 0                | 153              | 153              | 0                 | 0                | 0                 |
| Adult Literacy                               | 0                | 0                | 0                | 0                 | 964              | 964               |
| State Aid Adjustment for Community Colleges  | 0                | 7,170            | 7,170            | 0                 | 7,170            | 7,170             |
| Childcare/Workforce State Aid                | 0                | (172)            | (172)            | 0                 | (172)            | (172)             |
| State Aid for College Discovery              | 0                | (53)             | (53)             | 0                 | (53)             | (53)              |
| State Aid for Rental Aid                     | 0                | 1,489            | 1,489            | 0                 | 1,489            | 1,489             |
| Federal CD funds                             | 0                | 1,130            | 1,130            | 0                 | 0                | 0                 |
| Miscellaneous (Intra-City & Other)           | 0                | 29,828           | 29,828           | 0                 | 10               | 10                |
| <b>Total, Other Adjustments</b>              | <b>\$64,094</b>  | <b>\$39,545</b>  | <b>\$103,638</b> | <b>\$78,063</b>   | <b>\$9,408</b>   | <b>\$87,472</b>   |
| <b>Agency Budget as of January 2011 Plan</b> | <b>\$524,007</b> | <b>\$267,556</b> | <b>\$791,562</b> | <b>\$488,813</b>  | <b>\$237,368</b> | <b>\$726,182</b>  |